Remarks

Claims 17-36 were pending in the Application. All of the pending claims were rejected in the Final Office Action dated October 29, 2003 and were maintained in the Advisory Actions dated February 23, 2004 and April 7, 2004. Claims 17, 20, 22-27, 29-32, 34 and 36 have been amended, claim 33 was canceled, and claims 37-62 have been added. Claims 17-32 and 34-62 are now pending with claims 17, 27, 32, 37, 47 and 54 being the independent claims. It is submitted that claims 17-32 and 34-62 are allowable for at least the reasons described below.

In the February 23, 2004 Advisory Action, the Examiner notes that the claims recite "less then" instead of "less than" and as such the claims are indefinite and could have been rejected under 35 USC 112, 2nd paragraph. The Applicant thanks the Examiner for pointing out this informality (typo) and has amended the claims to correct this informality.

In the April 7, 2004 Advisory Action, the Examiner asserts that the claims as written "less than the bandwidth to view in real time ..." is vague and indefinite and could have been rejected under 35 USC 112, 2nd paragraph. The Applicant has amended the claims to further clarify the concept being captured by changing "bandwidth" to "bit rate". Applicant submits that one skilled in the art would clearly understand what "transmitted at a bit rate that is less than the bit rate required to present the advertisements in real time" means.

The Applicant provides this simple example to assist the Examiner in understanding the concept. For a particular advertisement stream to be received and displayed in real time with an optimum viewing quality the advertisement stream must be allocated enough bandwidth to support 10 megabits/second. If the system provides at least that much bandwidth the advertisement stream can be received and displayed in real time at the optimum viewing quality. The advertisement may still be viewed in real time at an acceptable but progressively degraded viewing quality when the advertisement stream is allocated enough bandwidth to support between 6 and 10 megabits/second (the quality degrading as it progresses towards 6). If the advertisement stream is not allocated at least enough bandwidth to support 6 megabits/second

than the advertisement stream can not be viewed in real time and may be saved for presentation at a later time.

In the Final Office Action dated October 29, 2003, the Examiner rejected claims 17-22, 27-29, 32, 33, 35 and 36 under 35 U.S.C. §102(e) as being anticipated by *Hendricks et al. (U.S.P. 6,463,585),* and claims 23-26, 30, 31, and 34 under 35 U.S.C. §103(a) as being unpatentable over *Hendicks et al.* in view of *Schoenblum et al. (U.S. P. 6,418,122).* The Applicant amended claims 17, 20, 22-27, 29-32, 34 and 36 to further clarify the invention. The clarification was described above with respect to the Examiners 35 USC 112, 2nd paragraph rejection from the April 7, 2004 Advisory Action. The Applicant submits that claims 16-32 and 34-36 are patentable over the cited references for at least the reasons discussed below.

Independent claim 17 is directed to a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The method includes transmitting advertisements within an advertisement channel to subscribers in advance of presentation of the advertisements to the subscribers. The advertisements are transmitted at a bit rate that is less than the bit rate required to present the advertisements in real time. The advertisements are stored in a storage medium.

The Applicant submits that *Hendricks et al.* do not disclose, teach or suggest (in the sections noted by the Examiner in the Final Rejection, the Advisory Actions or the entire disclose for that matter) transmitting advertisements to subscribers at a bit rate that is less then the bit rate required to present the advertisements in real time, as required by claim 17. To the contrary, *Hendricks et al.* disclose delivering targeted advertising to subscribers in one of four methods: (1) multiple channel method, (2) storage method, (3) additional bandwidth method, and (4) split screen method (see col. 72, line 64 – col. 73, line 1).

The multiple channel method includes using a plurality of feeder channels to provide alternative advertisements to a subscriber for a particular program(s) and selecting a targeted advertisement from the alternative advertisements for the subscriber. The targeted advertisement is displayed to the subscriber by having the STB switch to the appropriate advertisement channel

during the advertisement break (see col. 73, line 1 – col. 74, line 3). As the ads are being displayed in real time they are clearly being transmitted at a bit rate that is necessary to display them in real time. Accordingly, the multiple channel method teaches away from delivering targeted ads to the STB at a bit rate that is less then the bit rate required to present the advertisements in real time, as required by claim 17.

The storage method discloses that a certain number of targeted ads are stored in the STB and that ads selected for targeting are retrieved (see col. 74, lines 4-16). There is no disclosure of how the ads were delivered to and/or stored in the STB. The disclosure simply states that an additional feeder channel is not needed to continuously broadcast ads. Clearly there is no disclosure of the ads being delivered to the STB at a bit rate that is less then the bit rate required to present the advertisements in real time, as required by claim 17.

The additional bandwidth method includes selecting targeted advertisements for each subscriber and then transmitting the targeted advertisements directly to each subscriber (see col. 74, lines 17-32). *Hendricks et al.* disclose that this method requires a great deal of available bandwidth. Clearly there is no disclosure of the ads being delivered to the STB at a bit rate that is less then the bit rate required to present the advertisements in real time, as required by claim 17.

The split screen method includes multiple targeted advertisements being transmitted to a subscriber in a single channel. The STB selects the appropriate targeted advertisement and utilizes either masking or scaling to display the appropriate targeted advertisement. Clearly these ads are being transmitted in real time at the bit rate that is necessary to display them in real time. Accordingly, the split screen method teaches away from delivering targeted ads to the STB at a bit rate that is less then the bit rate required to present the advertisements in real time, as required by claim 17.

For at least these reasons it is submitted that claim 17 is patentable over *Hendricks et al.* Claims 18-26 depend from claim 17 and are therefore submitted to be patentable over *Hendricks et al.* for at least the reasons described above with respect to claim 17 and for the further features recited therein. The rejection of claims 17-26 accordingly should be withdrawn.

Independent claim 27 is directed to a system for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The system includes a transmitter for transmitting the advertisements to the subscribers within an advertisement channel in advance of presentation of the advertisements to the subscribers. The advertisements are transmitted at a bit rate that is less then the bit rate required to present the advertisements in real time. A storage medium stores the advertisements. A display device interface allows the advertisements to be presented to the subscribers.

It is submitted that claim 27 is patentable over *Hendricks et al.* for at least reasons similar to those described above with respect to claim 17 (e.g., that there is no disclosure, teaching or suggestion of the transmitter as recited in claim 27). Claims 28-31 depend from claim 27 and are therefore submitted to be patentable over *Hendricks et al.* for at least the reasons described above with respect to claim 27 and for the further features recited therein. Accordingly the rejection of claims 27-31 should be withdrawn

Independent claim 32 is directed to a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The method includes forming a subgroup of subscribers that share one or more common subscriber characteristics. Targeted advertisements are selected to be transmitted to the subgroup. The targeted advertisements are transmitted to the subgroup within an advertisement channel in advance of presentation of the advertisements to the subscribers. The targeted advertisements are transmitted at a bit rate that is less than the bit rate required to present the targeted advertisements in real time. The targeted advertisements are stored in a storage medium.

It is submitted that claim 32 is patentable over *Hendricks et al.* for at least reasons similar to those described above with respect to claim 17. Claims 34-36 depend from claim 32 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 32 and for the further features recited therein. Accordingly the rejection of claims 32 and 34-36 should be withdrawn.

Newly added claim 37 is directed to a method for receiving advertisements for storage. The method includes receiving advertisements over same medium as content is received. The advertisements are transmitted over the medium at a low bit rate. The advertisements are stored in a storage medium.

It is submitted that claim 37 is patentable over *Hendricks et al.* for at least reasons similar to those described above with respect to claim 17. Claims 38-46 depend from claim 37 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 37 and for the further features recited therein. Accordingly, claims 37-46 are submitted to be patentable over the art of record.

Newly added claim 47 is directed to a method for transmitting advertisements to subscribers for storage. The method includes transmitting at least one content stream to a subscriber over a medium and a determination as to bandwidth available after said transmitting at least one content stream is made. Advertisements are transmitted to the subscriber over the medium. The advertisements are transmitted at a low bit rate that is based on the available bandwidth. The advertisements are stored for possible later presentation to the subscribers.

It is submitted that claim 47 is patentable over *Hendricks et al.* for at least reasons similar to those described above with respect to claim 17. Claims 48-53 depend from claim 47 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 47 and for the further features recited therein. Accordingly, claims 47-53 are submitted to be patentable over the art of record.

Newly added claim 54 is directed to a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers. The method includes transmitting content to subscribers over a delivery network. A determination is made as to remaining bandwidth available in the delivery network after transmitting the content. Advertisements are transmitted to the subscribers within the remaining bandwidth available in the delivery network. The advertisements are transmitted at a low bit rate. The advertisements are stored in the storage medium for possible later presentation to the subscribers.

It is submitted that claim 54 is patentable over *Hendricks et al.* for at least reasons similar to those described above with respect to claim 17. Claims 55-62 depend from claim 54 and are therefore submitted to be patentable over the cited references for at least the reasons described above with respect to claim 54 and for the further features recited therein. Accordingly, claims 54-62 are submitted to be patentable over the art of record.

Conclusion

For the foregoing reasons, Applicant respectfully submits that claims 17-32 and 34-62 are in condition for allowance. Accordingly, early allowance of claims 17-32 and 34-62 is earnestly solicited.

If the Examiner believes that a conference would be of value in expediting the prosecution of this Application, the Examiner is hereby invited to contact the undersigned attorney to set up such a conference. In fact, the Applicant would welcome the opportunity to have an Interview with the Examiner prior to the Examiner acting on this Amendment.

Respectfully submitted,

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